

Message Text

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TO AMEMBASSY PARIS

INFO ALL NATO CAPITALS

USMISSION USUN NEW YORK

AMEMBASSY DUBLIN

USMISSION GENEVA

C O N F I D E N T I A L STATE 262518

E.O. 11652: GDS

TAGS: PFOR

SUBJECT: US-EC CONSULTATIONS

REF: PARIS 27191

GENEVA FOR US CSCE DEL

1. BRIEFING (REFTEL) ON RECENT EC POLITICAL DIRECTORS'
MEETING REPRESENTS, WE BELIEVE, USEFUL EFFORT TO MAINTAIN
CONTINUING WORKING LEVEL CONSULTATIVE RELATIONSHIP BETWEEN
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US AND EC. ALTHOUGH WE HAVE NOT BEEN ENTIRELY SATISFIED

WITH THE COMPLETENESS OF THE FRENCH BRIEFINGS, WE HAVE DECIDED TO RESPOND POSITIVELY TO THEIR OFFER TO RECEIVE AND PASS ON TO THE NINE OUR VIEWS ON SOME OF THE SUBSTANTIVE ISSUES RAISED AND HOPEFULLY TO DEMONSTRATE OUR CONTINUING DESIRE TO EXPAND AND IMPROVE US-EC CONSULTATIONS.

2. TO UNDERScore IMPORTANCE WE ATTACH TO IMPROVING DIALOGUE WITH THE NINE, DCM OR POLITICAL COUNSELOR SHOULD RESPOND AT MORE SENIOR QUAI LEVEL (PERHAPS WITH DEMARGERIE) COMMENTING AS FOLLOWS ON THE DUFOURCQ INITIATIVE:

-- WE WELCOME BRIEFING ON RECENT POLITICAL DIRECTORS' MEETING AND NOTE INITIATIVE ON PART OF FRANCE AS PRESIDENT OF EC TO KEEP US POSTED. WE HAVE FELT, HOWEVER, THAT OUR DIALOGUE ON POLITICAL ISSUES COULD USEFULLY BE EXPANDED

AND BELIEVE THIS FRENCH OFFER TO RECEIVE AND PASS ALONG OUR COMMENTS TO OTHERS IN THE NINE COULD BE HELPFUL.

-- WE ARE THEREFORE PREPARED TO PURSUE SUCH CONSULTATIONS. RECALLING THE GYMnich FORMULA AS A TOKEN OF INTEREST ON PART OF NINE IN WORKING TOWARD A BETTER PRACTICE OF US-EC CONSULTATION, WE WILL CONTINUE TO BE INTERESTED IN FRENCH VIEWS ON HOW DIALOGUE WITH US CAN BE IMPROVED.

-- WE NOTE THAT AN EC SUMMIT IS APPROACHING AND WOULD MUCH APPRECIATE BEING KEPT INFORMED BY FRANCE AS CHAIRMAN OF THE NINE ON PREPARATIONS AND PROSPECTS FOR THIS SUMMIT.

-- ON ISSUES OF SUBSTANCE, CONCERNING NOVEMBER 7 POLITICAL DIRECTORS' MEETING, WE DO NOT HAVE USEFUL COMMENTS TO PASS ON REGARDING ALL POINTS, SINCE OUR VIEWS ON SOME ISSUES ARE ALREADY KNOWN.

3. IN GOING OVER ISSUES WE DO FEEL IT USEFUL TO COMMENT ON, EMBASSY SHOULD COVER THE FOLLOWING:

A. ON MIDDLE EAST, US ASSESSMENT AND VIEWS HAVE BEEN PRESENTED TO ALL ALLIES IN DETAIL BY ASSISTANT SECRETARY
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ATHERTON AT NOVEMBER 20 NAC (TO WHICH WE REGRETFULLY NOTE THAT FRANCE FAILED TO SEND A SENIOR OFFICIAL FROM PARIS).

B. CSCE. YOU SHOULD TRY TO DRAW OUT THE QUAI ON ANY SPECIFIC CONCERNS OF THE NINE THAT FRENCH BELIEVE MAY SURFACE AT THE NATO MINISTERIAL MEETING OR THE MARTINIQUE SUMMIT. WE WILL BE BRIEFING THE ALLIES IN NAC ON CSCE

ASPECTS OF THE VLADIVOSTOK SUMMIT. GENERALLY, HOWEVER, WE READ THE ERRATIC PACE OF NEGOTIATIONS AT GENEVA AS REFLECTING A MOSCOW DECISION TO HOLD BACK UNTIL IT CAN ASSESS RESULTS OF US-SOVIET AND FRANCO-SOVIET SUMMITS AS WELL AS DECEMBER NATO MINISTERIAL MEETING. DISCUSSIONS AT THE NATO MEETING AND AT MARTINIQUE SUMMIT WILL OFFER OPPORTUNITY FOR US-FRENCH EXCHANGE OF VIEWS ON CSCE. FYI. WE WOULD WELCOME FURTHER DIALOGUE IN PARIS ON CSCE GENERALLY, BUT GIVEN CURSORY TREATMENT OF TOPIC IN NOVEMBER 12 PRESENTATION AND LIAISON WHICH ANDREANI MAINTAINS AMONG NINE AND FIFTEEN AT GENEVA WE SEE NO SPECIFIC NEED TO RESPOND TO DUFOURCQ'S REMARKS ON THIS SUBJECT IN DETAIL AT THIS TIME. END FYI.

C. GREECE. WE HAVE WELCOMED GREECE'S RETURN TO

DEMOCRATIC GOVERNMENT AS EXEMPLIFIED BY THE NOVEMBER 17 ELECTIONS, AND WE HAVE ALSO BEEN PLEASED BY THE OVERWHELMING VICTORY OF KARAMANLIS AND THE RELATIVELY POOR SHOWING OF THE LEFT, INCLUDING ANDREAS PAPANDREOU. WITH HIS IMPRESSIVE ELECTORAL MANDATE, KARAMANLIS IS IN A GOOD POSITION TO DEAL WITH THE MAJOR PROBLEMS GREECE FACES, SPECIFICALLY, CONTROLLING INFLATION, DEPOLITICIZING THE MILITARY AND REACHING A SETTLEMENT OF THE CYPRUS ISSUE. AS THE SECRETARY HAS NOTED TO AMBASSADOR KOSCIUSKO-MORIZET, WE FAVOR GREECE'S RETURN TO THE COUNCIL OF EUROPE AND CLOSER TIES BETWEEN GREECE AND THE EC.

D. PORTUGAL. BEFORE THE APRIL 25 COUP DIFFERENCES REGARDING AFRICAN POLICY CONSTITUTED A CONTINUING SOURCE OF FRICTION IN US-PORTUGUESE RELATIONS. FOLLOWING THE COUP, HOWEVER, THE PROVISIONAL GOVERNMENT'S COMMITMENT

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TO SELF-DETERMINATION IN AFRICA HAS REMOVED THIS PROBLEM FROM OUR RELATIONS. WE HAVE HAD NO PROBLEMS SO FAR WITH THE PROVISIONAL GOVERNMENT, BUT HAVE BEEN FRANK IN EXPRESSING TO ITS LEADERS OUR CONCERN REGARDING THE INFLUENCE OF THE COMMUNISTS AND OTHER FAR-LEFTISTS IN CERTAIN FIELDS, ESPECIALLY LABOR AND THE MEDIA. UNRESOLVED ISSUES IN OUR BILATERAL RELATIONS ARE THE EXTENSION OF THE AZORES BASE AGREEMENT AND PORTUGAL'S REQUEST FOR ECONOMIC AID.

THE AZORES BASE AGREEMENT EXPIRED ON FEBRUARY 2, 1974. HOWEVER, UNLESS AND UNTIL ONE PARTY ANNOUNCES THAT THE NEGOTIATIONS FOR ITS RENEWAL HAVE BROKEN DOWN OUR USE OF THE BASE REMAINS UNIMPAIRED. NEGOTIATIONS FOR AN EXTENSION OF THE BASE RIGHTS WERE STARTED WITH THE

PREVIOUS PORTUGUESE GOVERNMENT IN OCTOBER 1973, BUT WERE SUSPENDED BY THE APRIL 1974 COUP. TALKS WERE RESUMED WITH THE PROVISIONAL GOVERNMENT IN SEPTEMBER, BUT ARE STILL AT A PRELIMINARY STAGE. WE HAVE AGREED TO GIVE PORTUGAL REASONABLE COMPENSATION FOR THE USE OF THE BASE, BUT THERE HAS NOT YET BEEN ANY SPECIFIC DISCUSSION OF WHAT THAT COMPENSATION SHOULD BE. THE TWO COUNTRIES HAVE AGREED, HOWEVER, THAT THIS ISSUE SHOULD BE CONSIDERED APART FROM THE QUESTION OF POSSIBLE US ASSISTANCE FOR PORTUGAL.

PORTUGUESE AID REQUEST.

DURING HIS SEPTEMBER VISIT TO WASHINGTON FOREIGN MINISTER SOARES ASKED FOR LARGE SCALE ECONOMIC ASSISTANCE AS THE

BEST MEANS OF STRENGTHENING THE CURRENT MODERATE PORTUGUESE LEADERS AGAINST THE COMMUNISTS. PRESIDENT COSTA GOMES, DURING HIS OCTOBER 18 VISIT, MADE THE SAME APPEAL. WE ARE SYMPATHETIC TOWARD PORTUGAL'S ECONOMIC PROBLEMS AND WOULD LIKE TO SEE PORTUGUESE MODERATES STRENGTHENED, BUT WE HAVE MADE CLEAR TO THE PORTUGUESE THAT THE PRESENT ATTITUDE OF THE CONGRESS TOWARD FOREIGN AID IS UNFAVORABLE AND ANY INCREASE IN THE POWER OF THE COMMUNISTS IN PORTUGAL WOULD MAKE AMERICAN AID UNTHINKABLE.
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DURING THE COSTA GOMES VISIT WE AGREED TO CONDUCT TECHNICAL TALKS WITH THE PORTUGUESE REGARDING THE AREAS IN WHICH THEY FELT IN NEED OF ASSISTANCE, WITHOUT ANY COMMITMENT AS TO EVENTUAL US ACTION. A US TECHNICAL TEAM WAS IN LISBON NOVEMBER 12-16 FOR THESE DISCUSSIONS. THE PORTUGUESE TOLD OUR TEAM THEIR MAIN ECONOMIC PROBLEMS WERE UNEMPLOYMENT, MALDISTRIBUTION OF INCOME, INFLATION, INADEQUATE GROWTH RATE, AND THE BALANCE OF PAYMENTS. MONETARY RESERVES ARE STILL FAIRLY HIGH (DOLS 2.4 BILLION) BUT THE B/P DEFICIT IS EXPECTED TO CONTINUE FOR AN EXTENDED PERIOD WITH RESERVES FALLING TO THE EQUIVALENT OF TWO MONTHS IMPORTS BY THE END OF 1975. THE AREAS IN WHICH THE GOP IS MOST DESIROUS OF FOREIGN ASSISTANCE ARE (IN ORDER OF PRIORITY) HOUSING, AGRICULTURE, TRANSPORTATION, ENERGY, EDUCATION, AND HEALTH. WE HAVE NOT YET MADE A DECISION AS TO HOW TO RESPOND TO PORTUGAL'S REQUEST FOR ASSISTANCE. WE BELIEVE, HOWEVER, THAT ANY US EFFORT TO HELP PORTUGAL SHOULD BE PART OF A COORDINATED INTERNATIONAL EFFORT INVOLVING MULTILATERAL INSTITUTIONS AS WELL AS ALL THOSE COUNTRIES WHICH SHARE OUR DESIRE TO SEE DEMOCRACY REESTABLISHED IN

PORTUGAL.

PORTUGAL IN THE UN.

DEBATE IN UNGA FOURTH COMMITTEE ON PORTUGUESE TERRITORIES APPEARS TO US TO HAVE BEEN MORE MODERATE THIS YEAR THAN IN RECENT SESSIONS, A DEVELOPMENT THAT DOUBTLESS REFLECTS CHANGES IN PORTUGAL'S COLONIAL POLICY. HOWEVER, THE AFRICANS WILL CLEARLY WISH TO MAINTAIN PRESSURE ON LISBON TO CARRY THROUGH WITH DECOLONIZATION. FOURTH COMMITTEE DOES NOT PREPARE REPORTS ON SUBJECTS IT DISCUSSES, BUT RATHER ADOPTS RESOLUTIONS. AFRICAN GROUP AT UN IS NOW DISCUSSING A RESOLUTION ON PORTUGUESE TERRITORIES. PORTUGUESE MISSION IN NEW YORK HAS NOTED THAT RESOLUTION

IN ITS PRESENT FORM NOT AS HARSH AS ITS PRECEDENTS OF RECENT YEARS, BUT FEELS THAT IT STILL CONTAINS OFFENSIVE LANGUAGE. HOWEVER, RESOLUTION IS NOT LIKELY TO BE PUT INTO FINAL FORM UNTIL AFTER PORTUGUESE MINISTER FOR CONFIDENTIAL

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OVERSEAS TERRITORIES VISITS UN IN LATE NOVEMBER, WHEN MINISTER IS EXPECTED ALSO TO MAKE ANNOUNCEMENT ON FUTURE OF SAO TOME AND PRINCIPE, US IS PLEASED POLITICAL DIRECTORS HAVE DECIDED NINE SHOULD TRY TO MODERATE RESOLUTION ON PORTUGUESE TERRITORIES, AND IS OF COURSE WILLING TO COORDINATE EFFORTS WITH EC NINE REPS IN NEW YORK. WE OPPOSE EXCLUSION OF PORTUGAL FROM UN SPECIALIZED AGENCIES AND SUPPORT ITS RETURN TO ACTIVE MEMBERSHIP. BEYOND THAT WE WOULD WELCOME ANY THOUGHTS EC MIGHT HAVE ON WHAT MIGHT BE DONE TO TIE PORTUGAL MORE FIRMLY TO THE WEST. INGERSOLL

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